

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE WESTERN DISTRICT OF NORTH CAROLINA
3 CHARLOTTE DIVISION 3:20-CV-00504-FDW-DSC
4

5 CPI SECURITY SYSTEMS, INC.,

6 Plaintiff and
7 Counterclaim Defendant,

8 vs.

9 VIVINT SMART HOME, INC.
10 f/k/a MOSAIC ACQUISITION
11 CORP.; LEGACY VIVINT SMART
12 HOME, INC. f/k/a VIVINT SMART
13 HOME, INC.,

14 Defendants and
15 Counterclaimants.

16 VIDEOTAPED VIRTUAL ZOOM 30(b)(6) DEPOSITION OF
17 CPI SECURITY SYSTEMS, INC. BY JOHN SHOCKNESSE

18 (Taken by Defendants/Counterclaimants)

19 Charlotte, North Carolina

20 Thursday, September 23, 2021

21 Reported by Andrea L. Kingsley, RPR

22 Job No. CS4810616
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24
25

1 CPI and number of different actions taken as a
2 result of that controversy; right?

3 A. I don't know if there were any charity
4 donations based off that, we were already donating
5 to most of the charities that we were already
6 involved in. We probably did a much better job
7 advertising that we did. I would say that was a
8 problem for us, we didn't let employees and
9 customers know as well how active we were within
10 the community.

11 Q. So then your understanding is CPI didn't
12 make any charitable donations directly as a result
13 of the controversy then, it was already planning to
14 make in the ordinary course of business?

15 A. Certainty it's outside my area of
16 expertise but I'm not aware of any.

17 Q. You would agree with me, wouldn't you,
18 that that controversy that erupted did some damage
19 to CPI's reputation in the community?

20 MR. HOBBS: Objection to the form.

21 You can answer.

22 A. It was difficult.

23 Q. You're not going to dispute since I say
24 that that resulted in damage to CPI's reputation and
25 goodwill; right?

1 MR. HOBBS: Same objection. Also
2 outside the scope. I believe I have a
3 standing objection on that. So you can
4 answer.

5 A. I mean I guess -- I guess the way I
6 would perceive it is that it went way, way longer
7 than the news story typically would have because it
8 was being used, put in front of people's faces even
9 though it wasn't in the news anymore. So well
10 after the time it was in the news, it was still
11 being displayed.

12 Q. I understand what you're saying, but
13 regardless of whether you think it was justified or
14 not, the fact is that that caused some damage to
15 CPI's reputation which CPI took some actions
16 attempting to repair that you testified about
17 earlier; right?

18 MR. HOBBS: Objection to the form.
19 You can answer.

20 A. I guess that I would say that it was an
21 e-mail that was taken out of context that was used
22 against Mr. Gill that was then later, the situation
23 was taken out of context and used against CPI. So
24 you know, my opinion is that it was an e-mail that
25 was sent that was absolutely mischaracterized in

1 what the goal was as far as message. And then it
2 was misused.

3 Q. That wasn't my question. My question
4 was -- this is a simple yes or no question. Do you
5 deny that that controversy did at least some damage
6 to CPI's reputation in the community?

7 MR. HOBBS: Same objection. You
8 can answer.

9 Q. Yes or no?

10 A. I don't deny there was some damage.

11 Q. I think we established earlier and
12 confirmed, as far as you know, CPI has not
13 undertaken to quantify the precise amount, monetary
14 amount of any damage to its reputation resulting
15 from that controversy; right?

16 MR. HOBBS: Same objections.

17 Q. To your knowledge?

18 A. If we have, I'm not involved with it.
19 It's not normally something I would be involved in.
20 So.

21 Q. Going back to -- take a look at the last
22 sentence of paragraph 1 there, the last two lines of
23 that paragraph, you see that it alleges there that
24 some of this conduct by Vivint has resulted in CPI
25 customers entering into a contract with Vivint and,